

Alaska Oil and Gas Association



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NPRA Planning Team
Bureau of Land Management
Alaska State Office
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AOGA Comments: Northeast Planning Area-National Petroleum Reserve Alaska

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Thank you for the opportunity to comment on the draft amendment to the Northeast National Petroleum Reserve – Alaska IAP/EIS.

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The Alaska Oil & Gas Association (AOGA) is a private non-profit trade association, whose 21 member companies represent the majority of oil and gas exploration, production, transportation, refining and marketing activities in Alaska.

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AOGA has participated in commenting on the planning documents for sales in both the Northeast and the Northwest areas of the NPR-A.

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We believe that the on-the-ground experience from the time of the first Northeast sale to the present time, as well as the 30 years of operating history on the North Slope, provides the information for performance based criteria for future activity in the NPR-A. AOGA supports the BLM's proposed performance-based stipulations and required operating procedures for the Northeast NPR-A. The revised performance-based system will allow efficient, environmentally safe operations, which is the goal of any resource regulatory system.

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AOGA believes the BLM's background studies and descriptions of record in the IAP/EIS provide the basis for support of Alternative C. This alternative provides continued leasing opportunities in the Northeast portion of NPR-A and access to some of the most prospective areas located near the crest of the Barrow Arch.

006
Alternatives

We are concerned that BLM has recommended the blanket exclusion of the 350 miles of additional prospective acreage north of Teshekpuk Lake and that BLM has not addressed some of the extensive stream setbacks in the area. The current three-mile setback is unnecessary and is double the 1.5 miles originally recommended in 1998.

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There is, and will continue to be, extensive regulatory oversight of all aspects of exploration and production in the NPR-A by local, state and federal agencies and groups. Further environmental concerns can be addressed during the permitting process through the NEPA review.

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Oil and gas operations on Alaska's North Slope have brought local and statewide economic prosperity at the same time that these operations have been the model for environmental regulatory systems and practices worldwide. That is an amazing accomplishment and one that bodes well for future activities in NPR-A.

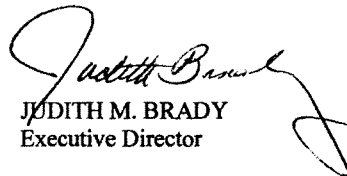
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In 2003, the State of Alaska received more than \$1 billion from the oil industry in taxes and royalties. For the past 22 years oil and gas revenues have contributed over 80% of Alaska's unrestricted general fund. Oil and gas revenues are expected to be the economic engine for the State many years into the future. The three previous lease sales in the NPR-A have generated more than \$222 million in bonus payments, split between the state and federal governments. Continued investment, within the model of continued environmental excellence, benefits everyone.

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In closing, it is useful to keep in mind that NPR-A continues to be considered as one of the most promising areas in the United States for discovering large oil and gas deposits. For the past 81 years the federal government has continued to reserve the 23 million acres of the National Petroleum Reserve-Alaska for the sole purpose of oil and gas production. The time for making good on that potential is now. We have both the technology and the environmental protections in place to do so.

Sincerely,


JUDITH M. BRADY
Executive Director